Target achievement by the States

4249. SHRI R.P. GOENKA : Will the Minister of PLANNING be pleased to state:

(a) the States which have performed satisfactorily and those which have substantially failed to achieve the targets in the first three years of the Ninth Five Year Plan;

(b) the major factors that prevented States from achieving the targets set out; and

(c) the steps the Planning Commission has suggested, if any, to correct the Inter-State imbalances?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI ARUN SHOURIE) : (a) Details of the performance of the States in achieving targets in terms of utilization of Plan fund *vis-a-vis* originally approved outlays during the first three years of the Ninth Plan are indicated in the Annexure [*See* Appendix 193 Annexure No. 23].

(b) The major factors, which prevented the State from achieving their financial targets as brought out in the Mid-Term Appraisal of the Ninth Plan are failure on the part of the States concerned to mobilize the requisite amount of resources required for financing the Plan, fiscal indiscipline, limited monitoring and poor governance.

(c) Effective governance appears to be the critical factor to ensure balanced growth of the different regions of India. In this context, Planning Commission have been impressing upon the States to improve governance and ensure fiscal discipline by generating higher levels of their own resources *inter alia* by widening of tax base with regard to services sector, recovery of arrears and enforcement of tax compliance, especially in case of direct taxes, strict control over wasteful expenditure through adoption of Zero-based Budgeting System for all Plan and non-Plan schemes, optimisation of budget provisions through re-prioritisation and convergence of schemes and programmes and speeding up of the process of disinvestments in non-strategic Public Sector Enterprise's investment, in order that adequate resources are available for strengthening infrastructure, human development and other growth inducing productive activities.